



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

WHAT IS SOCIALISM?

BY A. MAURICE LOW

II

HOW THE WORKING-MAN WOULD SUFFER IF THE STATE EMPLOYED
ALL LABOR

It was said in the previous article that there are two kinds of Socialists: the evolutionary or scientific, who believes in peaceful and lawful means to accomplish his ends and bring about the socialization of the State; and the revolutionary, who openly advocates violence and the use of any means that will make possible the ideal State as he conceives it. Yet while Socialists of different kinds employ different methods their purpose is the same.

It is easier to discuss the programme of the revolutionary than the evolutionary Socialist, for the former has at least the courage boldly to avow what he wants and the way he would go about to get it. The evolutionary Socialist, on the other hand, is more cautious and clouds his ideas with words without being able to make the average person seeking information understand what he wants or how it can be procured. If one attempts to pin down an evolutionary Socialist to a clear explanation of his purposes and the means to be employed one is very apt to receive this answer:

"Socialists are constantly confronted with a demand for a detailed description of the Socialist society of the future. This it is impossible to give, since all the forces which make for social change cannot be known. Any such prediction would necessarily be pure Utopian romance."

This is a passage from Spargo and Arner's *Elements of Socialism*, and Spargo is one of the leaders of evolutionary Socialism in this country. Remarking parenthetically that the whole doctrine of Socialism is "pure Utopian romance," it will be seen how difficult it is to combat a cause whose leaders are content to rely on generalities, yet out of the

mass of literature on the subject one may obtain a fairly satisfactory idea of the aims of the evolutionary Socialist. "The statement that Socialists work for the owning of the means of production by the community and the means of consumption by the individuals represents fairly enough their practical aim." This is the concise definition of Graham Wallas, an English Socialist of standing. The main object of the Socialistic attack, says Sydney Olivier, another equally distinguished English Socialist, is "that element in our private property system" the "individual ownership of the instruments of production, land, and capital." Sidney Webb says that "the political economist now knows that with free competition and private property in land and capital, no individual can possibly obtain the full result of his own labor. The student of industrial development, moreover, finds it steadily more and more impossible to trace what is precisely the result of each man's separate toil." Sydney Olivier further observes:

"The livelihood of the typical proletarian is earned by the exercise of his faculties for useful activity; the livelihood of the typical capitalist, or owner of property, is obtained, without any contribution of his or her activity, in the form of a pension called rent, interest, or dividend guaranteed by law out of the wealth produced from day to day by the activities of the proletariat."

I shall ask the reader to read carefully the foregoing passage because in half a dozen lines it is the whole case of Socialism against the rights of property and industry. It is the foundation on which Socialism rests. It is the attempt to create the belief that the so-called "capitalist" is a leech, a parasite, a social excrescence, an utterly useless creature who is responsible for everything that is bad and for all the evils of which society complains. Again and again Socialists assert that the capitalist grows fat on the blood sucked from the "typical proletarian" who alone performs "useful activity." That this belief is both false and fallacious will be demonstrated.

The object for which the evolutionary Socialist is working is to abolish private capital and private ownership so as to transfer both capital and ownership, the means of production as well as the means of consumption, from the hands of the individual to those of the community—that is, the State at large, using the word State, of course, not in the restricted sense of a subordinate political division, but

the whole nation, that entity which we indiscriminately but conveniently call the Government or the people. If Socialism were a fact and not merely an impossible theory, the individual ownership of farms or houses would be prohibited and they would all be owned by the State for the common use. No private person would be permitted to have capital—that is, the capital he may save from his earnings by the exercise of thrift or self-denial, his ingenuity or ability, as the activities for which capital is employed would be in the hands of the State.

Let us take a concrete example. There would be no private bakers, but there would be bakers in every hamlet and village and city appointed by the State who would bake, not the kind of bread that an individual wanted, but the bread provided for in the regulations approved by the Secretary of State or the functionary charged with the duty of superintending the making and baking of several million loaves of bread every morning in the year. For it must be apparent to every one, even to the person who has given the most indifferent thought to the question now that his attention is called to it, that if the State took over the whole operation of making bread it would have to be systematized and regulated or the people would go without bread. As private bread-making for sale would be declared illegal, just as now no one except the Government is permitted to mint coins or to print dollar bills or make postage stamps, Government bakeries would have to be established, each in charge of a manager or a superintendent, the employees appointed by the Government, their hours of labor and duties regulated by the Government, the materials purchased by the Government, the number, size, and quality of the loaves prescribed by the Government. Obviously the manager in charge of a Government bakery at Painted Post, Arkansas, let us say, would be permitted no more discretion than the superintendent in charge of a branch mint, who turns out the coins he is directed by the Secretary of the Treasury. There would, of course, be a bread standard, just as now there is a coin standard. By Act of Congress or the referendum or the recall or some other device the standard loaf of bread in the United States would be made of wheat flour because the majority of the people eat bread made of wheaten flour; the dough, according to the formula, would be mixed at a certain hour throughout the United States;

it would be put in the oven on schedule time; the loaves would be taken out as directed by the regulations. It would be the boast of the American that whether in Painted Post or New York, in New Orleans or in a mining-camp that has sprung into existence overnight, his loaf of bread would be made of the same materials, it would weigh the same, it would cost the same and taste the same. There in a sentence is the effect of Socialism. It would result in monotony; it would destroy initiative; it would offer no premium to ability.

Lest I be charged with unfairness, let us examine into the matter more in detail. With the standard loaf of bread established by the Government, the sole duty of the Government baker would be to turn out his loaves according to the Government formula. When enterprise is in the hands of private individuals there is always an incentive to the individual to do his work a little better than his rival, for if he makes a better article than a competitor his trade increases, which means he makes more money. A Government employee has no such incentive. He has no share in the profits (of course under Socialism there would be no profits), he gains no personal credit. He simply does what is required of him; nothing more.

There is another way by which the general public would be injured if the baking of bread was a Government function. An enterprising baker bakes bread for profit and is continually trying to see how he can enlarge his trade by catering to the public taste. He conceives the idea, let us say, that if he uses more or less yeast, or yeast made according to his own receipt, he will have a loaf that will be pleasing to some people; not to all, but to a certain number. Whereupon he experiments, wasting a great deal of dough and money, until he finds the exact proportions, discovering that the loaves must be baked a little more or less than the ordinary loaf and the temperature of the oven must be changed; but at last his experiments are successful, and he is able to produce the perfected loaf and is in his small way a benefactor and properly entitled to his reward.

Under State control there would be no experimenting because no one would be sufficiently interested to try experiments, and if some one was ingenious enough to think of a new way to make bread and suggested it to the Government official in charge of the baking establishment he

would be told that the idea was absurd, for it is notorious that Government officials, once they get into a rut, strive by every means in their power to keep there. If the ingenious individual is persistent enough and is inspired with the zeal of the reformer or the pertinacity of the crank, he may, perhaps, in time secure from Congress an appropriation for experimenting; and many years after all the rest of the non-socialistic world has been enjoying better or more nutritious bread it will be made possible for Americans to have it.

I shall, perhaps, be told that I am not fair, that there will be a Government laboratory for experimentation where scientists will spend their entire time searching not only to add a new flavor to bread, but also how to cheapen its cost and improve its qualities. Very true, but what is one or even half a dozen laboratories compared to the hundreds of thousands of bakeries where practical men, even if they are not scientists, every day have the highest personal incentive to make a better or a more delectable loaf? It is that personal incentive that has made progress, that enables the poorest of to-day to be so much better and cheaper clothed and fed and housed than the richest of a past generation. Governments do not invent or discover or build. States do not experiment or take large risks with capital in the hope of cheapening production. It is not the unselfish Socialist or the impractical Utopian who has reduced the cost of manufacture by the fraction of a cent, but it is Sydney Olivier's "typical capitalist" who has turned the darkness of night into day so that the "typical proletarian" may live in decency and comfort.

I have used bread as an illustration of what we may expect when Socialism is instituted because the making of bread is one of the simplest manufacturing operations and also because the use of bread is universal. We can manage to get along without jam or Panama hats, but bread in some form or other every one must have. We have already seen that if the State took over the bakeries there would have to be a tremendous army of State bakery employees appointed simply to turn the flour into loaves, but that, of course, would only be a detachment of the army. There would have to be shops for the sale of bread, salesmen, cashiers, bookkeepers, delivery men, horses and wagons or motor-trucks. There would be inspectors to see that the

subordinates were properly doing their duty and the Government was not defrauded, for even among Socialists there would be some bad and dishonest men; there would be auditors and clerks and accountants to examine the returns so as to assure the people that their money was not improperly expended. Does any sane person believe that under this system the price of a loaf of bread would be reduced by the infinitesimal fraction of a cent? Does not every person of intelligence see that the only result of the socialization of bread-making would be to increase the price of the loaf of bread without in any way increasing its size or improving its quality?

The very men who most loudly demand Socialism because they claim they are now "exploited" by private capital and, therefore, denied a fair return for their labor are those who would be most injuriously affected if Socialism was put into operation. Under the existing system of industrialism, it is possible for the journeyman baker to become a boss baker, to rise from the ranks of the employee into those of the employer, if he is industrious, saving, and has intelligence; and, as every one knows, there are bakers and plumbers and carpenters—men, in fact, in every trade and walk in life, who, beginning the struggle for existence without advantage and influence and with only their hands and their brains as their capital, have risen by their own endeavor; some to comfort, some to affluence, some to high position. In the ranks of industrialism the baton of the field marshal is at the bottom of every recruit's knapsack, although not every one has the wit to find it. But it is there, and that is the incentive to hard work, to decent living, to the exercise of man's reasoning faculties. That is the reward to which every apprentice may aspire; but what would be his reward if the State took over all industry? Assuming an absolutely honest civil service where there is no favoritism, where influence counts for naught and merit is the sole test—an ideal state of affairs not impossible of realization, but practically almost so—the faithful, diligent, and intelligent Government servant would slowly gain his promotion and might hope, after long years of service, to reach the highest rung in the ladder—an agency or the management of an important bakery. But he would always remain a hired man, a servant of the State. Socialism would mean implanting upon Western civilization the debasing and in-

jurious effects of the caste system of the East. A man would be born a baker and die a baker; in all probability the son would follow in the footsteps of the father, and there would be a caste of bakers in America just as there is a caste of offal collectors in India. I take it this phase of Socialism has not been considered by the working-man, and I believe that the average American working-man is too intelligent and too ambitious to surrender the hope of reward for the dubious benefit of becoming a barnacle of the State, especially as the first and most marked effect of Socialism would be to increase the cost of all commodities without conferring any corresponding benefit.

Socialism on the high scale that would be necessary if in this country the Government took over all the bake-shops has never been tested; but it has been tried on a smaller scale, and the result was so disastrous that it showed what the consequences would be were the people mad enough to permit the Socialists to wreck the country.

In 1848 the French Provisional Government, in fulfilment of its promise to provide work for all who claimed it, established *ateliers nationaux*, or national workshops, which was coming very close to the realization of the Socialistic dream. A great establishment for the manufacture of clothing was set up in Paris. The Government provided the buildings rent free and furnished the working capital, charging no interest. It gave an immediate order for 25,000 uniforms for the National Guard and promised further orders so as to keep the plant in operation and agreed to pay the same price as private contractors asked, eleven francs per uniform. Fifteen hundred men were put to work, to whom the Government advanced daily two francs a day as "subsistence money" pending a final division of the profits. When the accounts came to be squared it was found that instead of profits there was a loss and that the two francs a day paid to the workmen as subsistence money worked out as the equivalent of sixteen francs for a uniform instead of eleven, the price by private contract; while the "subsistence money," which was only another term for wages, of two francs a day was less than that which journeymen tailors earned in private employ. Summed up, this was the result of the experiment: The Government paid five francs more for a uniform than if it had bought in the open market besides losing the amount invested in the plant and the inter-

est on the money advanced, while the working-men received lower wages than private employers paid. A great many employers were ruined by the competition of the State and much distress followed. As usual, the working-man was the chief sufferer.

Why was the experiment a failure? According to contemporary accounts, it failed chiefly because *incentive was destroyed*. The scheme contemplated an equal division of the profits among the 1,500 men employed, but as each man was working not for himself, but for all the others, no man thought it necessary to put forward his full energy, as the others would make up for his dishonesty; and as every man conceived the same selfish idea the daily output was reduced and the cost of manufacturing necessarily increased; for, as every one knows, the smaller the production the greater the cost. Socialists are very fond of saying that Socialism will put an end to selfishness. That is all very fine as a phrase, but is it truth? Is an intelligent, conscientious Socialist working at his loom eight hours a day and turning out so many yards of cloth content to receive no higher wages than the man at the next loom, who, because he is unintelligent or a shirker, turns out only half the number of yards of cloth? The answer is to be found in the actions of the Socialists themselves whenever there is a dispute between masters and working-men over wages.

Perhaps a thousand years hence, when human nature has become so refined that selfishness no longer exists and individuals are born with a conscience instead of conscience being a cultivated virtue, the joy of labor, of which the poets sing so blithely, may be all that is necessary for each man to give the best that is in him for the benefit of all others. We have not yet reached the ideal State, and until we do selfishness will continue to be a greater force than altruism, and the hope of reward will be the motive to make each man exert himself to the utmost. Take away incentive and little is left. That is what Socialism would do. It would destroy incentive. Instead of men doing their best, they would be content to do only merely sufficient to enable them to earn their daily subsistence.

A. MAURICE LOW.

(To be Continued)